



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 2/19/15

**CONTROL
NO:**

ITEM NO: 2

SUBJECT: RESOLUTION NO. OB 15-35

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2015 THROUGH DECEMBER 31, 2015, AND TAKING CERTAIN RELATED ACTIONS

FROM: Successor Agency to the Artesia Redevelopment Agency

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

Approval of ROPS for July 1, 2015 through December 31, 2015.

BACKGROUND

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for July 1, 2015 through December 31, 2015 ("ROPS 15-16A") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 15-16A to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **March 3rd, 2015**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 15-16A may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by March 3, 2015, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of March 3rd, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations," the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations".

FISCAL IMPACT

The preparation and submittal of ROPS 15-16A is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2015 to December 31, 2015.

BOARD ACTION

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 15-35, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from July 1, 2015 through December 31, 2015 and taking certain related actions.

ATTACHMENT

Resolution No. OB 15-35

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Artesia

Name of County: Los Angeles

| Current Period Requested Funding for Outstanding Debt or Obligation | | Six-Month Total |
|--|--|------------------------|
| Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding | | |
| A Sources (B+C+D): | | \$ - |
| B Bond Proceeds Funding (ROPS Detail) | | - |
| C Reserve Balance Funding (ROPS Detail) | | - |
| D Other Funding (ROPS Detail) | | - |
| E Enforceable Obligations Funded with RPTTF Funding (F+G): | | \$ 703,391 |
| F Non-Administrative Costs (ROPS Detail) | | 528,391 |
| G Administrative Costs (ROPS Detail) | | 175,000 |
| H Current Period Enforceable Obligations (A+E): | | \$ 703,391 |

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

| | |
|--|-------------------|
| I Enforceable Obligations funded with RPTTF (E): | 703,391 |
| J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | (12,419) |
| K Adjusted Current Period RPTTF Requested Funding (I-J) | \$ 690,972 |

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

| | |
|---|----------------|
| L Enforceable Obligations funded with RPTTF (E) | 703,391 |
| M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | |
| N Adjusted Current Period RPTTF Requested Funding (L-M) | 703,391 |

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name

Title

/s/

Signature

Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|--------|--|--|-----------------------------------|-------------------------------------|-----------------------------|--|-------------------------------------|--------------------------------------|---------|---|-----------------|-------------|------------|------------|-----------------|
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Funding Source | | | | | Six-Month Total |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | |
| 1 | 2007 Tax Allocation Bond | Revenue Bonds | 12/5/2007 | 12/31/2042 | Wells Fargo Bank, N.A. | Non-housing bond debt service | Central Commercial | \$ 47,111,384 | N | | | | \$ 528,391 | \$ 175,000 | \$ 703,391 |
| 2 | 2009 Tax Allocation Bond | Revenue Bonds Issued On or Before 12/31/10 | 6/18/2009 | 6/18/2046 | Wells Fargo Bank, N.A. | Housing bond debt service payments | Central Commercial Corridor Project | 22,981,043 | N | | | | 323,463 | | \$ 323,463 |
| | | | | | | | | 6,787,390 | N | | | | 127,828 | | \$ 127,828 |
| 3 | Tax allocation bonds | Fees | 1/1/2008 | 6/18/2046 | Urban Futures, Inc. | Continuing disclosure fees | Central Commercial Corridor Project | 114,700 | N | | | | | | \$ |
| 4 | Tax allocation bonds | Fees | 1/1/2008 | 6/18/2046 | Willdan Financial Services | Arbitrage rebate calculation | Central Commercial Corridor Project | 16,000 | N | | | | | | \$ |
| 6 | Cooperative Agreement | Admin Costs | 2/1/2012 | 2/1/2046 | City of Artesia | Administration and operations of Successor Agency | Central Commercial Corridor Project | | N | | | | | | \$ |
| 7 | Salaries | Project Management Costs | 1/1/2014 | 6/30/2014 | Employees of City/Agency | Payroll for downtown revitalization project implementation | Central Commercial Corridor Project | | Y | | | | | | \$ |
| 8 | Salaries/benefits | Admin Costs | 1/1/2014 | 6/30/2046 | Employees of City/Agency | Payroll for administration/operations of Agency | Central Commercial Corridor Project | 6,500,000 | Y | | | | | | \$ |
| 9 | Rent | Admin Costs | 1/1/2014 | 6/30/2014 | City of Artesia | Overhead, utilities, supplies, insurance, etc. | Central Commercial Corridor Project | 165,000 | Y | | | | | | \$ |
| 10 | Legal services | Legal | 1/1/2014 | 6/30/2014 | Richards, Watson, Gershon | Legal fees for agency | Central Commercial Corridor Project | 40,000 | Y | | | | | | \$ |
| 11 | Contract services | Project Management Costs | 1/1/2014 | 6/30/2014 | Kelly Associates Mgmt Grp | Professional project and housing services | Central Commercial Corridor Project | | Y | | | | | | \$ |
| 12 | Lobbyist | Admin Costs | 1/1/2014 | 6/30/2014 | Cline & Duplasee | Lobbyist services | Central Commercial Corridor Project | 1,500 | Y | | | | | | \$ |
| 13 | Business resource | Admin Costs | 1/1/2014 | 6/30/2014 | Artesia Chamber of Commerce | Business resource assistance | Central Commercial Corridor Project | 1,500 | Y | | | | | | \$ |
| 14 | Accounting services | Admin Costs | 1/1/2014 | 6/30/2014 | Deb's Bookkeepers | Specialized accounting, oversight, and reporting services | Central Commercial Corridor Project | 1,500 | Y | | | | | | \$ |
| 15 | Auditors | Admin Costs | 1/1/2014 | 6/30/2014 | White Nelson Diehl Evans | CPAs for financial audit of agency | Central Commercial Corridor Project | 4,251 | Y | | | | | | \$ |
| 16 | Tax Allocation bond reserve trustee | Fees | 12/5/2007 | 6/18/2046 | Wells Fargo Bank, N.A. | Trustee services | Central Commercial Corridor Project | 147,200 | N | | | | 2,300 | | \$ 2,300 |
| 17 | Downtown District-Pioneer Blvd. Revitalization | Improvement/Infrastructure | 5/13/2013 | 12/31/2042 | City of Artesia | Complete bond funded redevelopment project | Central Commercial Corridor Project | | N | | | | | | \$ |
| 18 | Oversight Board | Miscellaneous | 9/29/2012 | 9/29/2013 | CJPIA | Special liability Insurance Program | Central Commercial Corridor Project | 1,300 | Y | | | | | | \$ |
| 19 | Historic District | Improvement/Infrastructure | 12/1/2013 | 12/31/2042 | City of Artesia | Complete bond funded redevelopment project | Central Commercial Corridor Project | | N | | | | | | \$ |
| | Administration and Overhead | Admin Costs | 7/1/2015 | 6/30/2046 | City of Artesia | Administration and operations of Successor Agency | Central Commercial Corridor Project | 7,750,000 | N | | | | | 175,000 | \$ 175,000 |
| 22 | | | | | | | | | N | | | | | | \$ |
| 23 | | | | | | | | | N | | | | | | \$ |
| 24 | | | | | | | | | N | | | | | | \$ |
| 25 | | | | | | | | | N | | | | | | \$ |
| 26 | | | | | | | | | N | | | | | | \$ |
| 27 | | | | | | | | | N | | | | | | \$ |
| 28 | | | | | | | | | N | | | | | | \$ |
| 29 | | | | | | | | | N | | | | | | \$ |
| 30 | | | | | | | | | N | | | | | | \$ |
| 31 | | | | | | | | | N | | | | | | \$ |
| 32 | | | | | | | | | N | | | | | | \$ |
| 33 | | | | | | | | | N | | | | | | \$ |
| 34 | | | | | | | | | N | | | | | | \$ |
| 35 | | | | | | | | | N | | | | | | \$ |
| 36 | | | | | | | | | N | | | | | | \$ |
| 37 | | | | | | | | | N | | | | | | \$ |
| 38 | | | | | | | | | N | | | | | | \$ |
| 39 | | | | | | | | | N | | | | | | \$ |
| 40 | | | | | | | | | N | | | | | | \$ |
| 41 | | | | | | | | | N | | | | | | \$ |
| 42 | | | | | | | | | N | | | | | | \$ |
| 43 | | | | | | | | | N | | | | | | \$ |
| 44 | | | | | | | | | N | | | | | | \$ |
| 45 | | | | | | | | | N | | | | | | \$ |

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

| A | B | C | D | E | F | G | H | I |
|---|---|------------------------------------|-----------------------------------|--|--|------------------------------|---------------------|--|
| | Cash Balance Information by ROPS Period | Fund Sources | | | | | | Comments |
| | | Bond Proceeds | | Reserve Balance | | Other | RPTTF | |
| | | Bonds Issued on or before 12/31/10 | Bonds Issued on or after 01/01/11 | Prior ROPS period balances and DDR RPTTF balances retained | Prior ROPS RPTTF distributed as reserve for future period(s) | Rent, Grants, Interest, Etc. | Non-Admin and Admin | |
| ROPS 14-15A Actuals (07/01/14 - 12/31/14) | | | | | | | | |
| 1 | Beginning Available Cash Balance (Actual 07/01/14) | 2,603,800 | | 395,996 | | | - | |
| 2 | Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014 | 2 | | | | | 648,491 | |
| 3 | Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q | 183,881 | | | | | 636,072 | |
| 4 | Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 2,419,921 | | 395,996 | | | | |
| 5 | ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S | No entry required | | | | | | 12,419 |
| 6 | Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| ROPS 14-15B Estimate (01/01/15 - 06/30/15) | | | | | | | | |
| 7 | Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6) | \$ 2,419,921 | \$ - | \$ 395,996 | \$ - | \$ - | \$ 12,419 | |
| 8 | Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015 | - | | | | | 641,946 | |
| 9 | Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15) | - | | 102,133 | | | 744,079 | DDR balance applied to shortfall of 14-15B period. |
| 10 | Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 2,419,921 | | 293,863 | | | | Bond reserve balances required by indenture. DDR balance retained for shortfall of 15-16B and subsequent ROPS periods. |
| 11 | Ending Estimated Available Cash Balance (7 + 8 - 9 - 10) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (89,714) | |

[illegible]

July 1, 2015 through December 30, 2015

[illegible]

RESOLUTION NO. OB 15-35

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2015 THROUGH DECEMBER 31, 2015, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from July 1, 2015 through December 31, 2015 ("ROPS 15-16A"), to the State Department of Finance (the "DOF"), the Office of the State Controller, and the County Auditor-Controller no later than March 3, 2015; and (2) post a copy of the Oversight Board-approved ROPS 15-16A on the Successor Agency's website.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves proposed ROPS 15-16A, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 15-16A to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 15-16A on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).

Section 3. The members of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 19th day of February, 2015.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

William A. Holt, CHAIR

Gloria Considine, SECRETARY
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
ARTESIA REDEVELOPMENT AGENCY

EXHIBIT A

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2015 through December 31, 2015)**